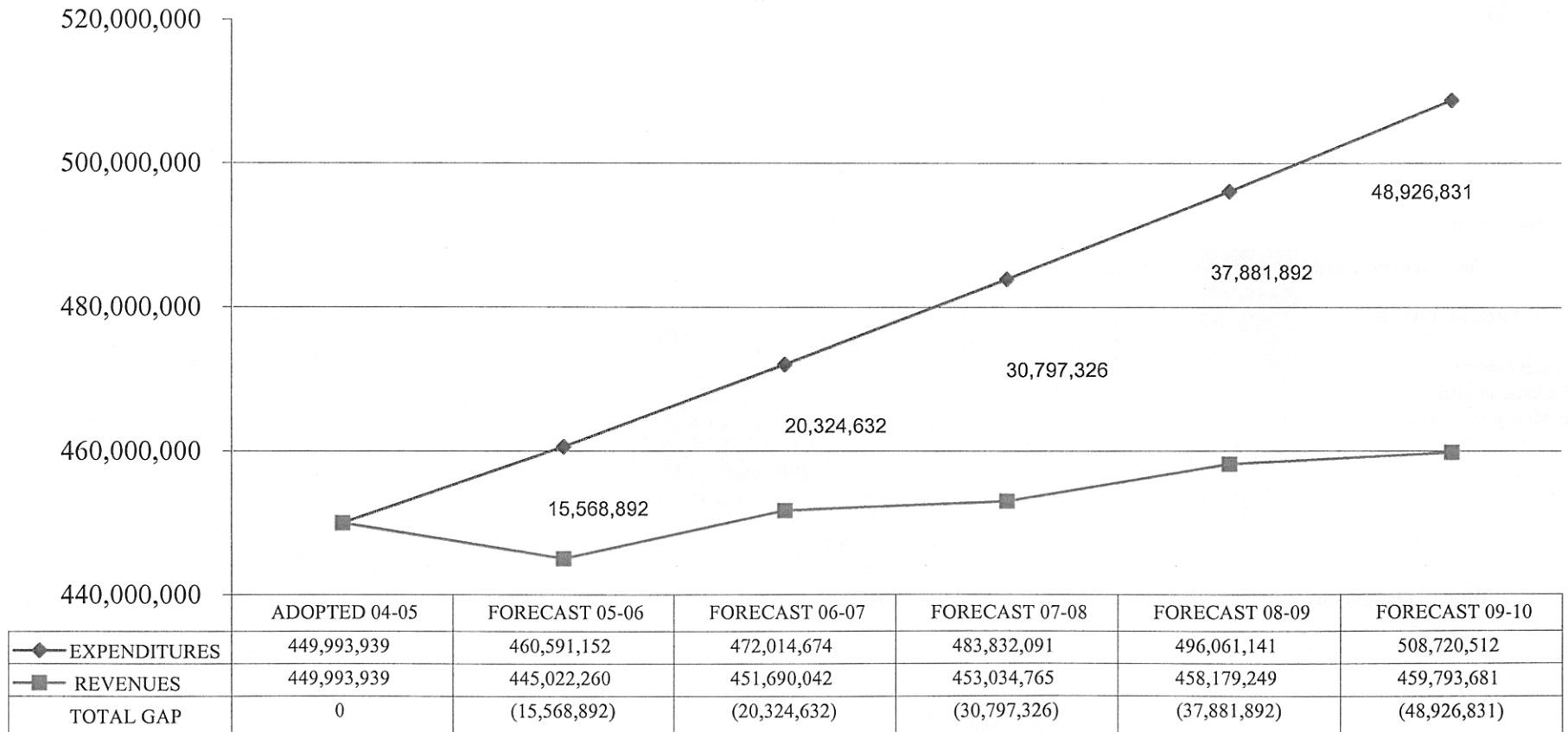


GENERAL FUND EXPENDITURE AND REVENUE FORECAST
FISCAL YEARS 2005-2006 through 2009-2010

	REVISED 2003-2004	ADOPTED 2004-2005	FORECAST 2005-2006	FORECAST 2006-2007	FORECAST 2007-2008	FORECAST 2008-2009	FORECAST 2009-2010
EXPENDITURE PROJECTIONS							
Salaries and Wages	82,335,278	79,304,295	81,329,361	82,955,948	84,615,067	86,307,369	88,033,516
Fringe Benefits	83,160,680	90,630,827	94,241,605	98,073,001	102,138,496	106,452,392	111,029,868
Supplies and Materials	4,146,450	4,391,016	4,522,746	4,658,428	4,798,181	4,942,127	5,090,390
Contractual Services	16,078,370	15,254,042	15,616,621	16,085,120	16,567,673	17,064,703	17,576,645
Non-Personnel Expenses	5,963,070	6,188,479	6,374,133	6,565,357	6,762,318	6,965,187	7,174,143
Education	196,166,152	204,000,000	208,080,000	212,241,600	216,486,432	220,816,161	225,232,484
Sundry	47,400,922	48,538,301	48,705,967	49,680,086	50,673,688	51,687,162	52,720,905
Property, Plant and Equipment	1,561,470	1,686,979	1,720,719	1,755,133	1,790,236	1,826,040	1,862,561
Total General Fund Expense	436,812,392	449,993,939	460,591,152	472,014,674	483,832,091	496,061,141	508,720,512
REVENUE PROJECTIONS							
Taxes	187,150,000	198,176,030	198,176,030	203,019,253	203,753,892	205,451,524	206,112,495
Licenses and Permits	5,611,300	5,922,080	5,662,580	5,715,219	5,877,399	6,010,643	6,212,519
Fines; Forfeits, and Penalties	1,243,890	2,108,150	2,683,150	2,500,000	2,600,000	2,700,000	2,182,518
Revenue Money and Property	6,225,740	6,190,470	6,690,470	6,445,170	6,653,474	6,867,082	7,086,149
Intergovernmental Revenue	215,730,430	218,161,350	215,519,790	218,000,000	218,000,000	220,000,000	220,000,000
Charges for Services	3,658,050	3,323,280	3,473,280	3,500,000	3,500,000	3,700,000	3,700,000
Reimbursements	10,386,580	11,605,410	11,410,410	11,410,400	12,050,000	12,450,000	12,500,000
Other Revenues	3,600,600	3,807,169	1,406,550	1,100,000	600,000	1,000,000	1,000,000
Fund Balance	3,900,000	700,000	0	0	0	0	1,000,000
Total General Fund Revenue	437,506,590	449,993,939	445,022,260	451,690,042	453,034,765	458,179,249	459,793,681
Variance	694,198	0	(15,568,892)	(20,324,632)	(30,797,326)	(37,881,892)	(48,926,831)

Total Gap Between Revenues and Expenditures



**GENERAL FUND EXPENDITURE AND REVENUE FORECAST ASSUMPTIONS
FISCAL YEARS 2005-2006 THROUGH 2009-2010**

This primary purpose of this forecast is to present a prospective view of the City's general fund revenue and expenditure levels over the next five years. It is important to note that as assumptions become reality in future years, the forecast will change. As such, this forecast should be used as a planning tool and amended annually. It is also important to note that the City Council is required by Charter to adopt a balanced budget. Therefore, any projections that indicate a budget gap will require adjustments prior to budget adoption. These adjustments will range from reducing expenditures to raising revenues to a combination of both.

Assumptions for Expenditure Projections

Salaries and Wages The Salaries and Wages category shows a slight increase in the 2005-2006 projected expenditures due to reinstated contractual wage increases. It is anticipated that this category will increase only minimally through the remaining period of the forecast.

Fringe Benefits It is expected that this category will continue to increase approximately 6.11%, based on the experience of the last five years of employee insurance costs.

Supplies and Materials Increases in this category are primarily due to projected cost increases in gasoline and diesel fuel. There may be some adjustments made in future forecast years due to the movement towards alternative fuels. Future costs are adjusted for a 3% inflation factor.

Contractual Services The increase in the remaining years of the forecast includes a \$4 per ton adjustment for projected increases in tip fees.

Education For the remainder of this forecast, this category increases by 2%.

Sundry The Sundry increases take into consideration the retirement of old debt and availability of funding for future projects; adjustment to the wage and fringe account in anticipation of retirement cashouts, and an increase in property and casualty insurance account based on annual industry projections.

Property, Plant and Equipment This category projects an increase in each of the five forecast years based on a fleet lease/purchase plan that includes a replacement schedule, and to establish an ongoing replacement schedule for all municipal fleet vehicles and fire apparatus to ensure the fleet is more current and capable of supporting City operations.

Assumptions for Revenue Projections

The General Fund Revenue Forecast highlights revenue increases for Hartford as we embark on new and significant opportunities. These opportunities will increase most categories, starting this current fiscal year 2003-2004 and continuing to increase in the 2005-2006 year. Revenues will increase each year expecting both a higher collection rate, as much as 96%, and a broader tax base with new developments in store and additional fees for different city services. It should be noted that in fiscal year 2004-2005, implementation of revenue generating opportunities has begun, which will increase future revenues by approximately \$10,000,000 over time. These opportunities are explained in the revenue section.

Taxes are a major source of revenue. The State of Connecticut granted a two year moratorium on the October 1, 2002 Grand List, which was adjusted for the Board of Assessment Appeals changes. The Adopted 2004-2005 Budget represents a slight decrease of 1.54% due to these changes for the October 1, 2003 Grand List. Forecast 2005-2006 is the second year of the moratorium, thus taxes remain constant. Future year taxes will increase with higher collection rates and new property development.

Licenses and Permits revenues have increased because of significant building activity and enforcement. Parking Meter income will increase by a total of approximately \$600,000 later in the forecast. This fluctuation is due to implementation of new technologies and increasing enforcement.

Fines, Forfeits and Penalties will see a substantial increase in Parking Tickets collections as we implement the new and improved system to collect delinquent fees and backlogs. This will decrease slightly the following year then gradually increase over future years. We are forecasting a drop of approximately \$517,000 for 2009-2010, as residents and citizens comply with citation stipulations.

Revenue From The Use of Money and Property is forecasted to increase an average of \$200,000 throughout the next five years. This is primarily from additional rents and development projects. Capital fund project closeouts from prior years total approximately \$500,000, reflected in 2005-2006.

Intergovernmental Revenue will decrease in 2005-2006. The Telecommunications personal property tax decreases (-1,460,470), primarily due to asset acquisitions and equipment depreciation. Other years represent a marginal increase. Educational Cost Sharing Revenue from the State and other grants funds dominate this category. The Governor and the Legislature will decide future increases in this area.

Charges for Services will also increase with higher fees and additional fees for different City services.

Reimbursements include amounts payable to the City from grant programs for fringe benefits. This category should increase each year as more costs are recovered from these programs. However, the decrease in 2005-2006 is reflective of prior year closures being completed prior to July 1. Capital projects and fund closures will also supplement this category.

Other Revenue includes major sales of property that will occur during the next two years, including American Airlines and Talcott Plaza. Future sale of property will depend on foreclosures for back taxes on properties left over from tax and bulk lien sales.

Fund Balance is a contribution will be used to balance the 2004-2005 budget. With the implementation and fruition of all new revenue sources, we are not projecting to utilize this fund again until 2009-2010.